



# ***ESTIMATED REVENUES***

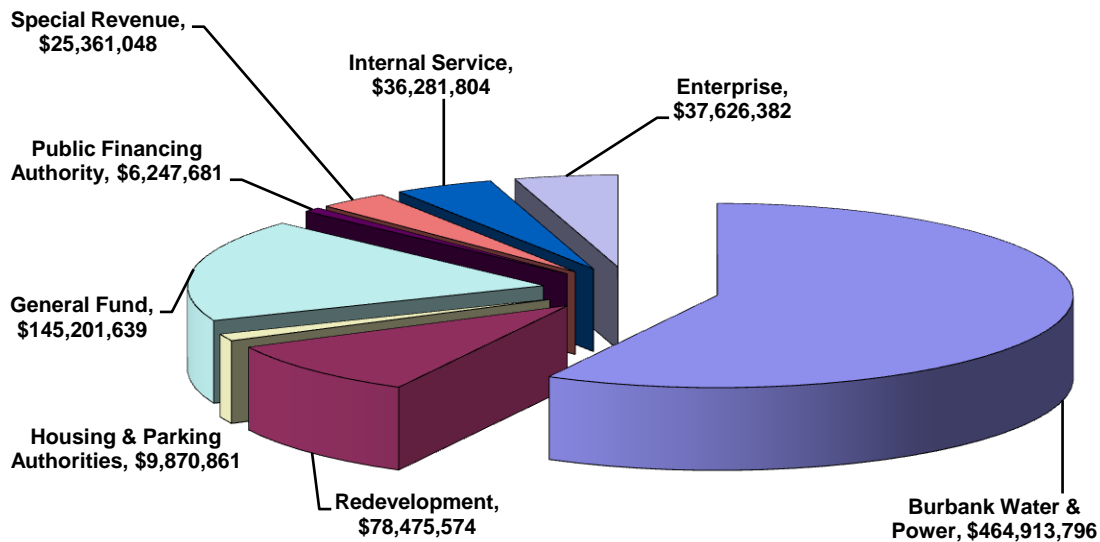
This section presents the Adopted FY 2010-11 City of Burbank estimated revenues for all funds. The section is organized as follows:

• Revenue Summary	REV-2
• Chart – Total Revenue Summary	REV-2
• Revenue Overview	REV-3
• Chart - General Fund – Primary Revenue Sources	REV-4
• Financial Forecasting	REV-4
• Revenue Summary Table by Fund	REV-5
• General Fund Revenue Summary (Recurring)	REV-6
• Sales Tax, Property Tax, Utility Users Tax, Per Capita Comparison	REV-7
• Sales Tax Revenue Bar Chart - Top Sales Tax Producers	REV-8
• Property Tax Revenue Bar Chart - Top Property Taxpayers	REV-9
• General Fund Revenue Sources and Description Summary	REV-10
• Revenue Summary – Special Revenue, Internal Services, Enterprise, Redevelopment Agency, Housing Authority and Parking Authority	REV-15
• Special Revenue Fund Description	REV-18
• Internal Services Fund Revenue Description	REV-19
• Enterprise Fund Revenue Description	REV-20
• Redevelopment Agency Revenue Description	REV-20
• Housing Authority Revenue Description	REV-21
• Parking Authority Revenue Description	REV-21
• Public Financing Authority Revenue Description	REV-21

# CITY OF BURBANK REVENUE SUMMARY

FUND/FUND GROUP	ESTIMATED RESOURCES*
General Fund	\$145,201,639
Special Revenue Funds (incl. Cap. Projects Fund)	\$25,361,048
Internal Service Funds	\$36,281,804
Water Reclamation & Sewer	\$18,832,285
Golf Fund	\$2,468,674
Water and Electric (BWP)	\$464,913,796
Refuse Collection and Disposal	\$16,325,423
Redevelopment Agency	\$78,475,574
Public Financing Authority	\$6,247,681
Housing Authority	\$9,073,302
Parking Authority	\$797,559
<b>TOTAL ALL FUNDS</b>	<b>\$803,978,785</b>

\* Resources represent the total sources available to each fund, such as taxes, fees, charges, sales, interest and use of fund balance (from bonds, depreciation and retained earnings).



**TOTAL RESOURCES = \$803,978,785**

## **CITY OF BURBANK REVENUE OVERVIEW**

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The Fiscal Year (FY) 2010-11 revenue budget was prepared using some basic assumptions about growth of projected revenues based on the Consumer Price Index, proposed fee increases, and available economic data. General Fund revenues for FY 2010-11 are expected to decrease by 3.6% from the original recurring revenue estimates from FY 2009-10. After growing an average of more than 5% during the five years ended June 2008, this represents a significant shift in General Fund Revenue trends. Much of this change can be attributed to the overall state of the local economy. After years of unsustainable growth, the real estate market is declining. From their peak in 2006, Burbank residential housing prices have declined over 25%. An overall decrease in the local workforce has likely been exaggerated by runaway film production. Burbank unemployment which had been 4% as recently as December 2007, was 9.9% in May 2010.

Sales, property and utility users taxes (UUT) are the three largest sources of funds, representing 53% of General Fund revenues. Sales tax is projected to decrease 15.5% from the original FY 2009-10 estimates. This is caused by declining consumer, building and construction, and business and industry spending. Property tax and utility user tax are projected to decrease 2% and 3%, respectively from the adopted 2009-10 forecast. Provisions in Proposition 13 cause property tax to be a lagging indicator of current real estate prices. UUT will decrease due to slower growth in wireless communications and lower natural gas costs than previously forecast. It is essential that the City continue monitoring proposed State and Federal legislation related to UUT as current legislative proposals may threaten this revenue stream to the City. As Internet technology advances, combining phone and video services, the City of Burbank is concerned about the potential for regulatory changes that will restrict the ability to protect the "time, manner and place" of the use of public rights-of-way, as well as their ability to charge fees and taxes to pay for related local services.

The FY 2009-10 State budget did not address the State's structural deficit. Instead Sacramento enacted a budget that relied on several one time fixes including internal fund transfers, borrowing proper tax revenues from cities, and a two year \$2.05 billion redevelopment increment takeaway. It comes as no surprise that the State is still projecting a \$20 billion deficit between fiscal years 2009-10 and 2010-11. The Governor's preliminary FY 2010-11 budget proposal relies heavily on the State's ability to acquire additional funding from the Federal Government. Other items included in the proposal affecting local agencies is the second year of redevelopment increment takeaway (\$3.3 million from Burbank Redevelopment Agency), continued suspension of the state mandate funding, and continued reductions in COPS and booking fees. In March the Legislature passed and the Governor signed into law, two bills that contain provisions for a transportation funding swap that replaces gasoline sales tax revenues protected by Proposition 42 with an equal distribution of Highway Users Tax Account funds. The law includes expressed legislative intent to fully replace funds that cities would have received under Proposition 42.

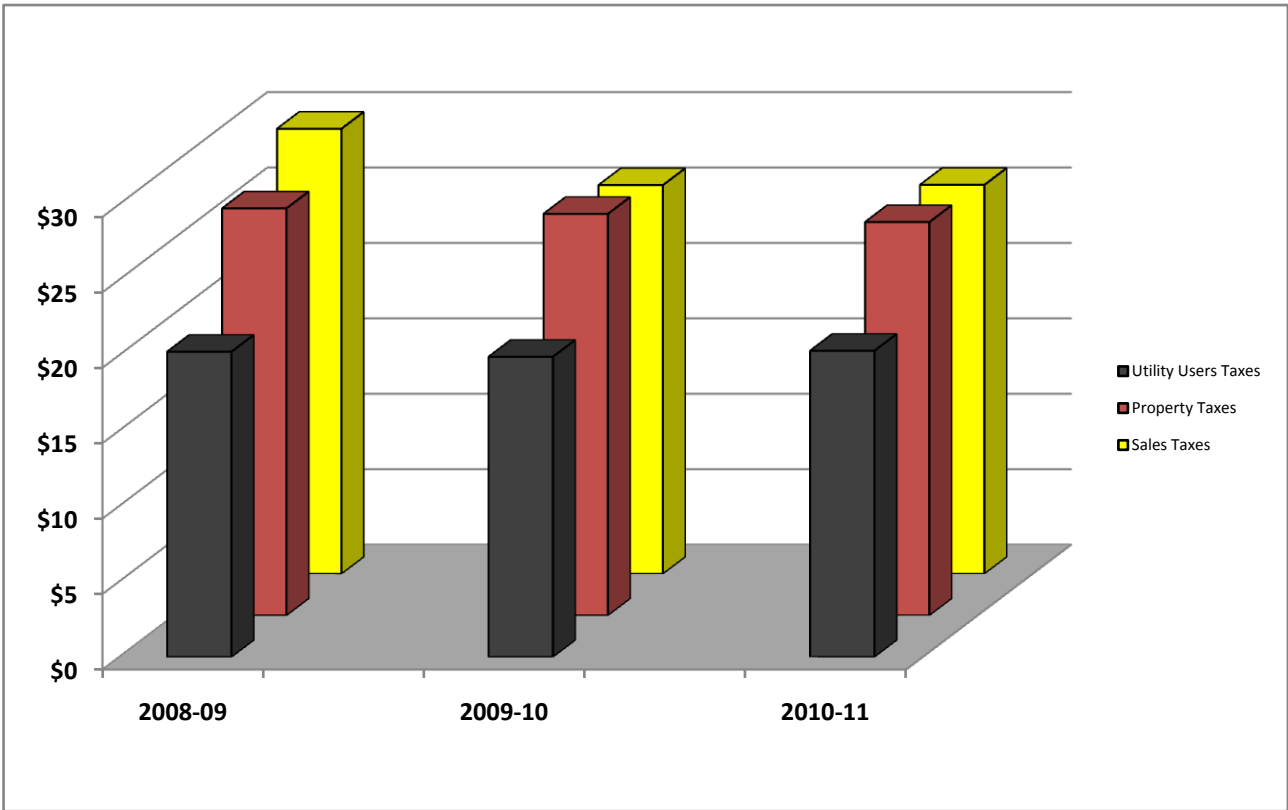
The City of Burbank continues to strive to provide the highest quality of service by taking into consideration the concerns and interests of the past year, and integrating these into a vision dedicated to meeting the needs of our citizens. This is accomplished by making fiscally responsible decisions (structuring a solid forecasting model) that will ultimately strengthen the organization, thereby improving the financial integrity of our City.

The General Fund provides for City services that citizens associate with local government. This includes safety services - Fire and Police, park, recreation and senior programs, library programs, planning, and building inspections. During FY 2006-07, a comprehensive review of fees was undertaken to ensure that costs are recouped as much as practical. The recommendations were incorporated into the fee schedule which is reviewed as part of the budget adoption process. City staff periodically assesses the fee schedule to ensure costs are continued to be recouped. It is important to note that while the City Council annually adopts a Fee Schedule outlining many of the fees charged within the City, the majority of General Fund revenue is beyond the City's control.

The City's economy continues to struggle along with the region and state. After years of strong growth, sales and property tax are declining. As mentioned above, UUT remains at risk due to pending federal and state legislation, particularly for the UUT's application to telecom companies. The City continues to monitor legislation that impacts operations.

The following chart highlights the top three revenue sources for General Fund dollars: sales tax, property tax and utility users tax.

**TOP GENERAL FUND REVENUE CATEGORIES**  
**\$ in millions**



***FINANCIAL FORECASTING***

Each year as part of the annual budget process, Financial Services provides an update to the General Fund's Five-Year Financial Forecast. These forecasts portray what is anticipated in the future, based on stated assumptions, and are only as reliable as the underlying assumptions. The intended purpose of this process is to gain an understanding of long-term financial trends, thus allowing the City to make informed financial decisions during the budget process while understanding the future financial impacts, particularly for recurring appropriations. Revenue assumptions are updated annually and throughout the year based on current results and anticipated trend. The Forecast includes estimated revenues from economic development projects that are expected to come on-line during the five year forecast.

**CITY OF BURBANK**  
**REVENUE SUMMARY- ALL FUNDS (RECURRING & NON-RECURRING)\***  
**FY 2005-06 through FY 2010-11**

	FY 2005-06 ACTUAL	FY 2006-07 ACTUAL	FY 2007-08 ACTUAL	FY 2008-09 ACTUAL	FY 2009-10 ADOPTED	FY 2010-11 ADOPTED
<b>CITY GOVERNMENTAL FUNDS</b>						
General Fund, Fund 001	\$ 136,016,554	\$ 147,899,850	\$139,548,684	\$147,561,965	\$ 146,678,385	\$ 145,201,639
Proposition A, Fund 104	1,926,423	2,011,119	2,168,612	1,856,769	2,599,281	2,550,987
Proposition C, Fund 105	1,544,000	1,961,424	1,858,409	1,886,476	2,418,297	1,900,730
AQMD, Fund 106	137,339	133,772	175,271	95,808	166,201	161,632
Measure R, Fund 107						789,900
Operating Grants, Fund 121		354,602	268,300	179,271	66,400	164,220
CDBG, Fund 122	2,325,687	2,191,878	1,630,465	1,549,440	1,249,879	1,279,797
Drug Asset Forfeiture, Fund 124	230,841	194,521	163,281	187,339	137,000	155,040
State Gas Tax, Fund 125	2,487,677	2,776,406	2,197,503	2,476,787	2,520,898	2,894,853
Public Improvement, Fund 127	9,783,058	5,881,767	2,081,450	3,512,495	6,424,938	4,995,028
HOME Program, Fund 128	994,686	941,398	894,000	79,761	872,935	853,702
Street Lighting, Fund 129	1,837,000	2,186,540	2,317,496	2,538,811	2,628,209	2,775,096
YES Fund, Fund 130	829,760	1,037,626	1,273,238	1,658,955	1,803,074	1,715,545
Community Service (BCSF), Fund 131		1,000				
Genl City Capital Projects, Fund 370	9,925,515	17,994,010	7,131,000	14,003,112	14,580,981	5,124,518
<b>PROPRIETARY FUNDS</b>						
Genl Liability Insurance, Fund 530	5,798,649	4,705,203	4,851,955	4,183,800	5,053,326	6,002,080
Workers Comp Insurance, Fund 531	5,776,441	7,772,828	8,067,847	8,212,538	8,682,126	8,656,684
Vehicle Equip Replacement, Fund 532	8,599,907	9,455,743	8,791,013	9,292,726	10,395,418	10,368,749
Office Equip Replacement, Fund 533	993,049	822,874	855,687	760,925	569,960	889,498
Municipal Bldg. Replacement, Fund 534	2,573,252	2,861,565	3,234,876	2,637,773	3,849,784	3,838,062
Communication Equip, Fund 535	2,647,357	2,766,285	3,072,179	2,764,537	3,953,282	3,858,692
Info Systems Replacement, Fund 537	2,027,260	5,954,419	3,410,298	2,946,221	2,065,288	2,668,039
Water Reclamation & Sewer, Fund 494	13,946,550	14,877,069	20,889,027	14,790,443	17,874,799	18,832,285
Golf, Fund 495	1,930,145	2,353,847	2,152,506	1,477,222	2,730,451	2,468,674
BWP, Magnolia Power Plant Fund 483		15,928,983	28,524,355	25,952,077	26,704,077	26,882,058
BWP, Electric Fund 496	345,158,000	401,887,000	353,781,762	291,013,080	354,326,059	397,883,755
BWP, Water Fund 497	18,936,000	23,748,000	32,171,986	23,240,432	39,825,994	40,147,983
Refuse Collection & Disposal, Fund 498	11,529,369	12,578,740	14,687,228	14,343,119	15,334,299	16,325,423
<b>REDEVELOPMENT AGENCY</b>						
Golden State Debt Svc, Fund 201	17,826,335	22,497,461	20,610,697	29,864,575	27,095,691	26,770,141
City Centre Debt Svc, Fund 202	8,124,608	10,283,239	9,366,821	10,429,342	11,385,599	10,702,243
West Olive Debt Svc, Fund 203	8,124,608	8,918,823	8,105,522	10,778,303	11,406,200	10,194,074
So San Fernando Debt Serv, Fund 204	1,915,307	2,626,394	2,636,296	3,991,723	2,896,326	3,202,008
Comm. Facilities District Debt Service, Fund 207	6,359,379	325,229	302,438	364,077	592,238	590,009
West Olive Cap Projects, Fund 303	130,744	2,845,543	2,226,403	2,138,114	3,100,714	862,094
Low/Moderate Housing, Fund 305	10,590,795	12,043,840	11,692,427	13,629,789	11,440,102	10,333,834
Merged Project Area, Fund 306	8,732,902	40,424,687	10,980,871	13,365,570	17,010,300	15,821,171
<b>PUBLIC FINANCING AUTHORITY</b>						
PFA Capital Projects, Fund 320	3,578,664	53,907,865	6,478,864	4,531,058	6,530,343	6,247,681
<b>HOUSING AUTHORITY</b>						
Housing Vouchers, Fund 117	8,112,485	8,531,090	8,664,879	8,122,889	8,839,589	9,073,302
<b>PARKING AUTHORITY</b>						
Parking Authority Debt Svc, Fund 210	251,353	253,086				
Parking Authority Cap Proj, Fund 31C	630,135	979,843	883,165	1,164,141	766,822	797,559
<b>TOTAL</b>	<b>\$ 662,331,834</b>	<b>\$ 854,915,569</b>	<b>\$728,146,811</b>	<b>\$677,581,463</b>	<b>\$774,575,265</b>	<b>\$803,978,785</b>

\* Resources represent total sources available, including use of fund balance (from bonds, depreciation & retained earnings)

# CITY OF BURBANK

## REVENUE SUMMARY - RECURRING

Actual 2008-09	% OF TOTAL	Revised 2009-10	% OF TOTAL	Adopted 2010-11	% OF TOTAL
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### GENERAL FUND 001

#### TAXES

Sales Tax	21,465,608	14.55%	19,123,231	13.77%	19,332,745	13.73%
Property Taxes	26,979,380	18.28%	26,617,695	19.16%	26,069,694	18.51%
Utility Users Tax (UUT)	20,235,860	13.71%	19,900,278	14.32%	20,298,283	14.41%
In Lieu Of Taxes - BWP	8,836,032	5.99%	9,279,650	6.68%	9,899,995	7.03%
Sales Tax Triple Flip In-Lieu	8,033,603	5.44%	6,638,355	4.78%	6,444,249	4.58%
Transient Occupancy Tax	5,941,073	4.03%	5,073,873	3.65%	5,175,350	3.67%
Transient Parking Tax	2,977,928	2.02%	2,586,837	1.86%	2,638,574	1.87%
Franchises	2,726,702	1.85%	1,778,177	1.28%	1,578,186	1.12%
Real Property Transfer Tax	316,959	0.21%	290,000	0.21%	300,000	0.21%
<b>Total Taxes</b>	<b>97,513,145</b>	<b>66.08%</b>	<b>91,288,096</b>	<b>65.71%</b>	<b>91,737,076</b>	<b>65.13%</b>

#### LICENSES & PERMITS

Business Tax	1,879,529	1.27%	1,670,900	1.20%	1,860,046	1.32%
Building Permits	1,446,273	0.98%	1,465,180	1.05%	1,016,040	0.72%
Other Licenses	224,656	0.15%	210,400	0.15%	209,900	0.15%
Other Permits	173,637	0.12%	159,000	0.11%	155,500	0.11%
Business Licenses	243,384	0.16%	272,000	0.20%	280,000	0.20%
Studio Filming Permits	147,216	0.10%	145,000	0.10%	140,500	0.10%
<b>Total Licenses &amp; Permits</b>	<b>4,114,695</b>	<b>2.79%</b>	<b>3,922,480</b>	<b>2.82%</b>	<b>3,661,986</b>	<b>2.60%</b>

#### FINES, FORFEITURES, & PENALTIES

Parking Fines	1,969,980	1.34%	2,042,000	1.47%	2,192,000	1.56%
Traffic Fines	968,705	0.66%	809,000	0.58%	800,000	0.57%
Other Fines & Forfeitures	35,243	0.02%	31,000	0.02%	80,000	0.06%
<b>Total Fines, Forfeitures &amp; Penalties</b>	<b>2,973,928</b>	<b>2.02%</b>	<b>2,882,000</b>	<b>2.07%</b>	<b>3,072,000</b>	<b>2.18%</b>

#### USE OF MONEY OR PROPERTY

Interest	2,323,599	1.57%	1,949,230	1.40%	1,200,000	0.85%
Advertising	354,784	0.24%	313,880	0.23%	308,880	0.22%
Donations	219,191	0.15%	168,000	0.12%	177,000	0.13%
Rental	93,049	0.06%	51,600	0.04%	41,600	0.03%
Miscellaneous	(1,135,793)	-0.77%	49,000	0.04%	948,700	0.67%
<b>Total Use Of Money Or Property</b>	<b>1,854,830</b>	<b>1.26%</b>	<b>2,531,710</b>	<b>1.82%</b>	<b>2,676,180</b>	<b>1.90%</b>

#### INTERGOVERNMENTAL REVENUES

Motor Vehicle In Lieu Tax	8,596,370	5.83%	8,727,054	6.28%	8,552,562	6.07%
Grants-Park Rec & Comm Svcs	1,530,087	1.04%	424,400	0.31%	528,674	0.10%
Grants-Library	255,846	0.17%	227,438	0.16%	137,055	0.10%
Grants-Other	200,423	0.14%	140,463	0.10%	246,572	0.18%
Grants-Safety	1,422,184	0.96%	306,420	0.22%	186,420	0.13%
<b>Total Intergovernmental Revenues</b>	<b>12,004,910</b>	<b>8.14%</b>	<b>9,825,775</b>	<b>7.07%</b>	<b>9,651,283</b>	<b>6.85%</b>

#### INTRA-CITY SERVICE CHARGES

Indirect Charges	9,984,906	6.77%	10,417,287	7.50%	12,015,723	8.53%
Direct Charges	6,904,899	4.68%	6,995,327	5.04%	7,633,566	5.42%
<b>Total Intra-City Service Charges</b>	<b>16,889,805</b>	<b>11.45%</b>	<b>17,412,614</b>	<b>12.53%</b>	<b>19,649,289</b>	<b>13.95%</b>

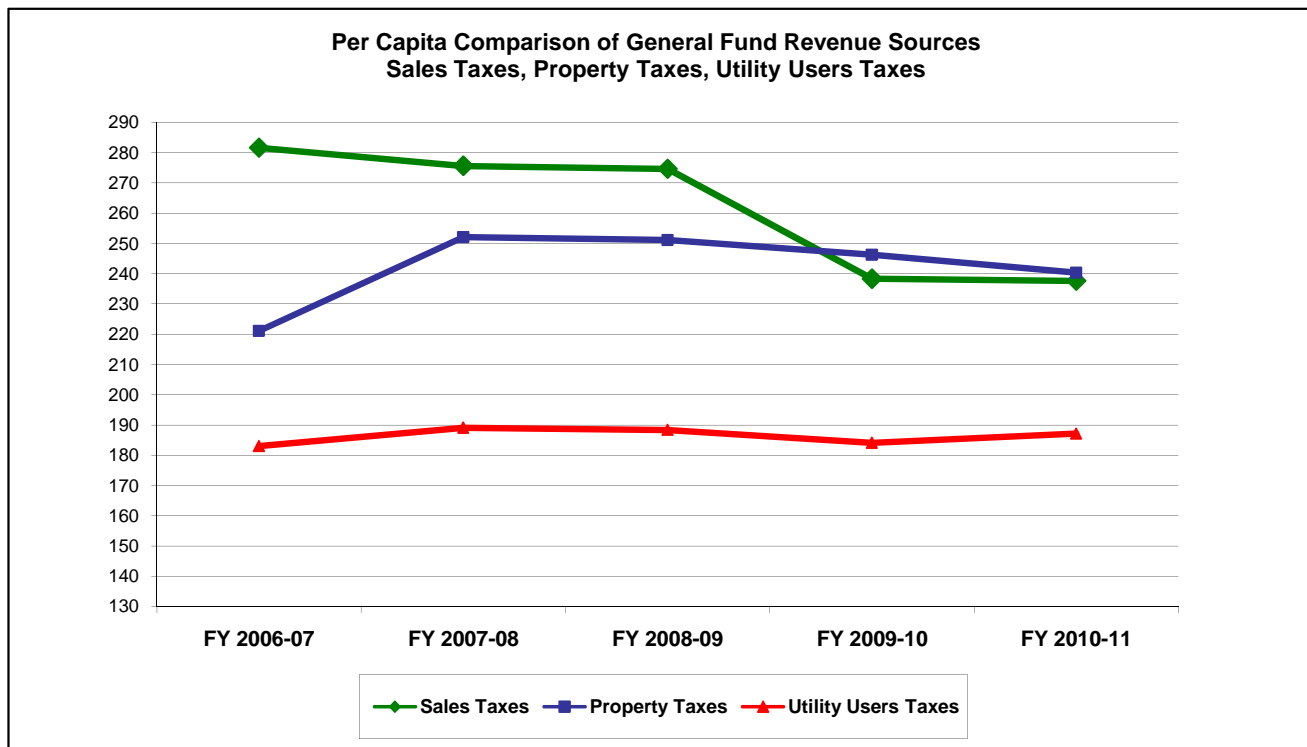
# CITY OF BURBANK

## REVENUE SUMMARY - RECURRING

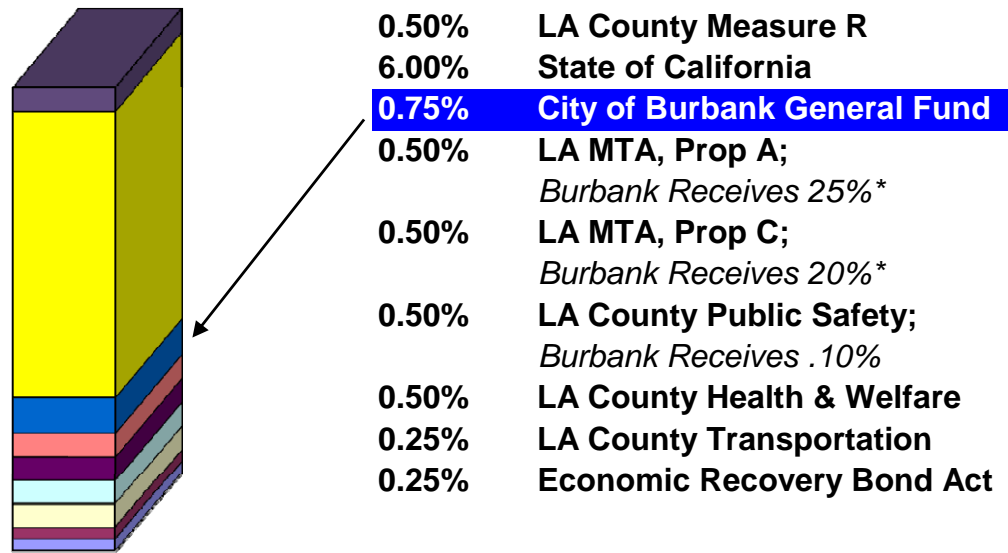
	Actual 2008-09	% OF TOTAL	Revised 2009-10	% OF TOTAL	Adopted 2010-11	% OF TOTAL
<b>SERVICE CHARGES</b>						
Other	2,103,406	1.43%	2,484,918	1.79%	1,784,001	1.27%
Recreation Fees	3,655,641	2.48%	3,136,984	2.26%	3,350,919	2.38%
Emergency Medical Services	2,005,622	1.36%	1,700,000	1.22%	1,870,000	1.33%
Plan Check Fees	650,185	0.44%	774,115	0.56%	551,100	0.39%
Safety Services Filming	752,132	0.51%	780,000	0.56%	780,000	0.55%
Encroachment Permits	385,331	0.26%	225,000	0.16%	150,000	0.11%
Environmental Impact Report	(8,050)	-0.01%	-	0.00%	12,400	0.01%
Traffic Signal Maintenance	-	0.00%	-	0.00%	-	0.00%
<b>Total Service Charges</b>	<b>9,544,267</b>	<b>6.47%</b>	<b>9,101,017</b>	<b>6.55%</b>	<b>8,498,420</b>	<b>6.03%</b>
<b>OTHER CONTRIB FR OTHER FDS</b>	<b>2,666,385</b>	<b>1.81%</b>	<b>1,959,879</b>	<b>1.41%</b>	<b>1,899,730</b>	<b>1.35%</b>
<b>Total General Fund Recurring Revenue</b>	<b>147,561,965</b>	<b>100.00%</b>	<b>138,923,571</b>	<b>100.00%</b>	<b>140,845,964</b>	<b>100.00%</b>
Plus Non-Recurring Revenue			180,680		4,355,675	
Use of Unrestricted Reserves*	*					
<b>TOTAL GENERAL FUND REVENUE</b>	<b>\$147,561,965</b>		<b>\$139,104,251</b>		<b>\$145,201,639</b>	

\*Effective FY 2006-07, the non-recurring and unrestricted reserves is included to better illustrate the total resources used.

The following chart summarizes a comparison of the top three General Fund revenue sources on a per capita basis. While utility users tax and property tax have remained relatively stable during the recession, sales tax has experienced a sharp drop-off. This illustrates the volatility of sales tax in relation to economic stimuli.



## Allocation of the Burbank Taxpayer's 9.75% Sales Tax



\* This is referred to as "Local Return" dollars for Burbank Transportation Projects/Services. The City can also compete for a small portion of the remaining percentage for use on specific one-time transportation projects.

**NOTE:** Effective FY 2004-05, the State redirects one-quarter cent of Burbank's 1% Sales Tax portion to the State to pay deficit retirement bonds ("triple flip"). In exchange, it will fully offset local government revenue by redirecting a commensurate amount of Property Tax from the Education Revenue Augmentation Fund (ERAF). Due to this change in allocation, 25% of Burbank's prior year's Sales Tax has been segregated into a separate revenue account.

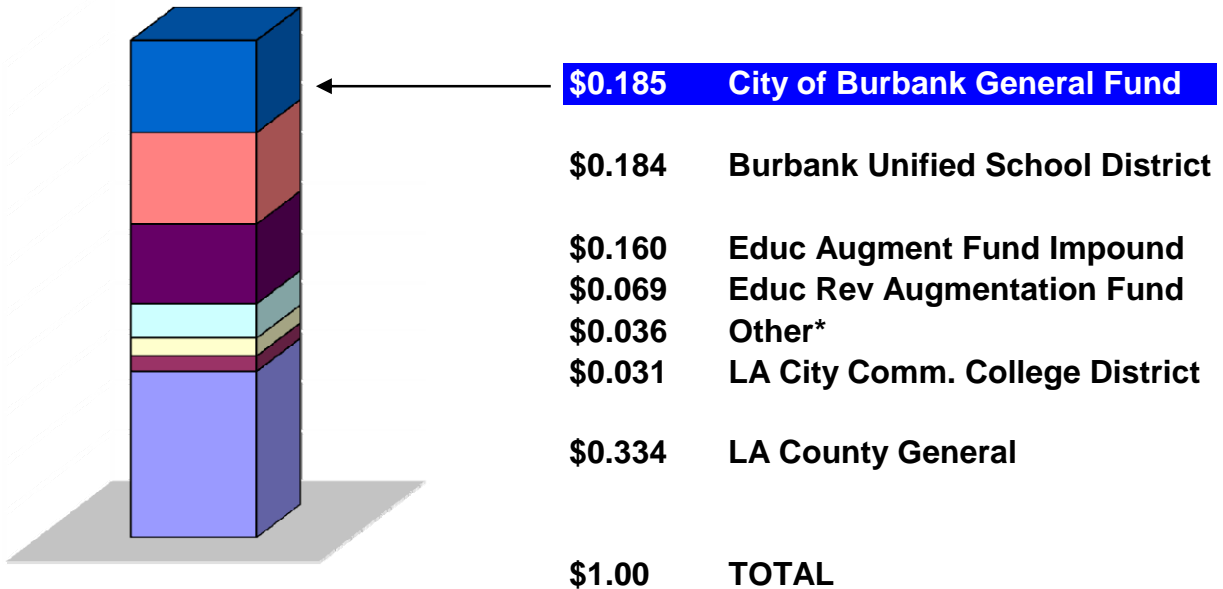
### TOP SALES TAX PRODUCERS

(listed alphabetically)

Best Buy	Macys
Carmax Auto Superstores California	Office Depot
Community Chevrolet	Orchard Supply Hardware
Comtel Pro Media	Pacific Sales
Costco	Ralphs
CVS Pharmacy	Rapid Gas
Fotokem	Sears & Great Indoors
Frys Electronics	Target
Hertz	Videotape Products
Home Depot	Vons
Ikea	Warner Bros Studio Facilities
K Mart	World Fuel Services
Lowes	



## Allocation of the Burbank Taxpayer's Property Tax



\* Includes LA County Flood Control Maintenance; County School Services Fund Burbank; LA County Fire-FFW; Children's Institutional Tuition Fund; LA County Flood Control District Improvement District Maintenance; Burbank Children's Center Fund; County School Services; Southeast Mosquito Abatement District; LA Community College Children's Center Fund; LA County Accumulative Capital Outlay.

**NOTE:** Effective FY 2004-05, the State restored the ERAF shift from property taxes but permanently reduced the vehicle license fee (VLF) backfill.

### TOP PROPERTY TAXPAYERS (listed alphabetically)

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Burbank Empire Center LLC  
 Burbank Mall Association LLC  
 Catalina Media Development LLC  
 DB Real Estate The Pinnacle LP  
 Earth Star  
 PHF II Burbank LLC  
 Southwest Airlines  
 Swiflite Aircraft Corporation  
 Walt Disney Pictures and Television  
 Warner Brothers Entertainment

**CITY OF BURBANK  
GENERAL FUND  
REVENUE SOURCES AND DESCRIPTION SUMMARY**

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The top three General Fund revenues are Sales Taxes, Property Taxes, and Utility Users Taxes. The City of Burbank's recurring revenues are anticipated to decline 3.6% over the Adopted Fiscal Year (FY) 2009-10 revenue projections. Most revenue categories are expected to decrease based on trend analysis of prior year's actual receipts. However, a few categories are projected to increase. Overall, the prospects for revenue receipts will be challenging for the foreseeable future.

Several factors have worked to dampen the local economy. The ongoing weak real estate market has impacted residents' disposable income and City property tax revenue. Declining retail sales and business activity have put downward pressure on sales tax revenue. A slowing regional economy combined with runaway film production has led to rising unemployment rates locally.

**Sales Tax** is typically the largest source of revenue for the City, and generally reflects the state of the economy. Due to the recession, sales tax revenue is expected to be less than property tax during FY 2009-10 and FY 2010-11. A review of sales tax returns shows that sales tax revenue has mirrored the economy with steady growth except during times of economic retraction. City sales tax revenue decreased during the recessions of the early 1990s and 2000-2002. Sales tax has also declined during the current recession, with declines seen during fiscal years ended 2009 and 2010. Over the last six years, sales tax has grown at an average annual growth rate of 3.8%. Amid signs of a continued recession, at mid year the FY 2009-10 adopted sales tax forecast was decreased by 8.4%. Sales have shown signs of stabilization, and FY 2010-11 sales tax is expected to remain flat relative to the revised FY 2009-10 estimate. Effective January 2008, with the implementation of "wing-tip" allocations of jet fuel sales tax, the City started receiving sales tax revenue from jet fuel sales at Bob Hope Airport. In 2008 during a time of record high fuel prices, the City realized a windfall in sales tax from jet fuel. The recession caused both jet fuel sales and prices to decline during 2009. Recent quarters have seen gradual increases in both fuel prices and sales. Burbank jet fuel sales tax allocations have closely followed these trends, showing a moderate increase in the most recent quarter's allocation. Additional stresses on sales tax revenue are the most recent recession, weak recovery, and declining consumer and business spending. The drop in sales tax receipts mirrors what is occurring at the regional and state level.



Sales taxes are imposed on all applicable retail and commercial businesses selling goods in the City. This tax is based on the sales price of any taxable transaction relating to taxable personal property. In accordance with the City's Bradley-Burns Uniform Sales Tax ordinance, the Board of Equalization allocates the City's sales tax, 1% of taxable sales occurring in Burbank, to the City. Beginning in FY 2004-05, the State redirected one-quarter cent of the local Sales Tax to the State to pay deficit retirement bonds. In exchange, it has fully offset local government revenue by redirecting a commensurate amount of Property Tax from the Education Revenue Augmentation Fund (ERAF). Due to this change in allocation, 25% of Burbank's prior year's Sales Tax has been segregated into a separate revenue account (Sales Tax Triple Flip In-Lieu), earmarked for this use.

**CITY OF BURBANK  
GENERAL FUND  
REVENUE SOURCES AND DESCRIPTION SUMMARY**

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In 1992, Proposition 163 became part of the California Constitution precluding the State, cities, counties, and special districts from imposing a sales or use tax on food products intended for home consumption.

Proposition 172 increased sales tax by ½ cent effective January 1, 1994 for local public safety. The tax is imposed by the State and distributed to cities and counties. The allocation basis is the proportionate loss from the property tax transfer enacted with the 1993-94 State budget. Funds may be forfeited if a city decreases funding for public safety services below funding in 1992-93. Burbank is in no immediate jeopardy of decreasing its funding.

Calendar year 2009 saw two major increases to the sales tax rate, neither of which have a direct impact on sales tax allocations to the City. As part of Sacramento's attempt to close a \$26 billion budget gap, effective April 1, 2009 the statewide sales and use tax increased 1% and currently stands at 6%. All additional funds are allocated to the State General Fund. Absent further legislative action, this increase is scheduled to expire July 1, 2011. Also, Los Angeles County voters approved a 0.5% increase in sales tax rate. This will finance new transportation projects and programs, and accelerate many of those already in the pipeline. The total sales tax rate for most cities in Los Angeles County, including Burbank, is currently 9.75%.

The continued growth of electronic commerce is a risk area to the future growth of the City's sales tax revenues. E-commerce continues to grow and it has two negative impacts to the City: (1) It shifts current sales tax revenues from Burbank businesses to internet companies. The City receives 1% of the taxable sales of Burbank businesses versus receiving a small portion of the County or State sales tax pools, if any; and (2) Encourages non-compliance of existing sales and use tax laws. Internet purchases are subject to either a sales (using the "brick and mortar" test) or use tax; however, the State Board of Equalization has no effective methodology for auditing individual use tax liability.

Local sales tax revenues from internet sales fall under Federal and State jurisdiction. The Federal government has extended the moratorium on establishing any new taxation of electronic commerce. However, proposals exist to either permanently ban or to extend this ban on taxation at both the State and Federal levels. Also, many online retailers have voluntarily started charging sales tax. Staff closely monitors all activities relating to this issue.

Decreased activity at all of Burbank's major economic zones contributed to decreased sales tax. Several major retail closures have had a negative impact including Circuit City, Shoe Pavilion, Linens-N-Things, and Mervyn's. The City continues to pursue economic development opportunities in the current challenging environment in an effort to minimize the effects of the recession. Those efforts along with a tepid recovery have had a positive impact. First quarter 2010 sales tax revenue increased by 1.7% compared to 2009. For comparison Los Angeles County decreased 0.2% and the State increased 0.5%. The consensus among economists is that California has hit bottom. However, it is also expected that the recovery will continue to be weaker than hoped and that sales tax growth in the next two years will be extremely modest.

**Property Taxes** have traditionally been a stable source of revenue for cities. The authority to levy property tax is stipulated within the California Constitution and the Revenue and Taxation Code. Property taxes are assessed on real property and tangible personal property within California.

A general ad valorem tax is imposed on real property (land and permanently attached improvements) and tangible personal property (movable property). The County administers distribution of this general tax revenue which is unrestricted. Properties are separated into two categories: Secured Property and Unsecured Property. Locally assessed real property is appraised at the base year value and adjusted each year after 1975 by the change in the Consumer Price

**CITY OF BURBANK  
GENERAL FUND  
REVENUE SOURCES AND DESCRIPTION SUMMARY**

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Index not to exceed 2%. Re-appraisal may take place upon a change in ownership or new construction. Prior to adoption of Proposition 13 in 1978, a governmental entity could set a property tax rate annually. Post Proposition 13, a single countywide rate was effective set at 1%, and the state was given the authority to allocate property taxes within counties. Of this 1%, the City of Burbank General Fund receives approximately 18.5%. Property tax is one of the General Fund's top three revenues.



Until now, Proposition 13 has protected Burbank from experiencing any decrease in property tax. For the first time since the inception of Proposition 13, California experienced deflation and as a result, assessed value for properties with continuing ownership will decline by 0.23%. For FY 2010-11, staff is predicting a 2% decrease in property tax revenue over FY 2009-10. Contributing factors are the aforementioned decline in assessed value and continued weakness in real estate prices.

**Utility Users Tax** has grown by an average annual rate of 4.0% for the past six years. This growth has been the result of the growth in telephonic communication such as cellular usage, increasing utility rates and aggressive collection efforts on the part of the City. Since UUT is the third largest revenue source to the General Fund, it will be important for the City to continue monitoring proposed State and Federal legislation related to UUT as current legislative proposals may threaten this revenue stream to the City. As internet technology advances, combining phone and video services, the City of Burbank is concerned about the potential for regulatory changes that will restrict the ability to protect the "time, manner and place" of the use of public rights-of-way, as well as their ability to charge fees and taxes to pay for related local services. FY 2010-11, UUT revenue is estimated to increase 2.0% over the revised FY 2009-10 projection due to the increases in electric and natural gas retail sales as well as continued strength in wireless communication. This will be offset by the continued decline in traditional land line phone usage.

**In-lieu tax** is paid by the City's Burbank Water & Power Department (BWP) instead of paying a franchise fee. This revenue source represents a total charge of 6.25% on retail electric sales and 5% of all water sales. The electric sales charge is deposited into two funds: the General Fund (Fund 001) receives 5% and the Street Lighting Fund (Fund 129) receives the remaining 1.25%. The 5% water sales charge is deposited into the General Fund. In-Lieu of Taxes-BWP represents the sixth largest General Fund revenue. This revenue category is projected to increase by 6.7% over the current FY 2009-10 estimate primarily due to proposed electric and water rate increases.

**Transient Occupancy Tax (TOT)** otherwise known as a "Bed Tax," is a 10% tax applied to the cost of occupying a room in a hotel, inn, motel, tourist home, or other lodging facility within the City's limits. This tax collects revenue for the use of City services by non-residents who would not likely otherwise contribute to the provision of these services. It is believed that the travel industry has seen the bottom. A gradual recovery in travel should bring a modest 2% increase in TOT revenue from the revised FY 2009-10 forecast.



The **Transient Parking Tax (TPT)** was increased from 11% to 12% effective July 2005. It is charged to customers, and collected and remitted to the City by parking lot operators who charge for their

**CITY OF BURBANK  
GENERAL FUND  
REVENUE SOURCES AND DESCRIPTION SUMMARY**

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services for parking for short periods of time (e.g., airport, businesses, hotels, and restaurants). Monthly (or long term parking), and medical facilities are exempt. More than 90% of TPT is derived from lots serving the Bob Hope Airport. During the past two years, passenger counts have been steadily declining. TPT is expected to rebound 2% in FY 2010-11 from the revised FY 2009-10 forecast.

**Franchise Fees** are imposed on various companies using “public rights-of-way” to conduct their business operations. Such fees include: a 5% Franchise Fee on cable television gross receipts; 1% fee on natural gas gross receipts; a 2% fee on receipts arising from electricity transmission by private companies; and, a 2% fee on receipts arising from the use of pipelines within the City.

**Business Taxes** are imposed for the privilege of conducting business within the City. Business Taxes are considerably lower than many other Los Angeles County cities even though thousands of businesses operate in Burbank. Fees range from a flat amount applicable to specific business types to a graduated formula according to sales, number of employees and square footage. Due to increased staff enforcement efforts, business tax revenue during FY 2009-10 should end up slightly above the current forecast. The better than expected current year results combined with continued enforcement efforts has led to an 11% forecasted increase for FY 2010-11.

**Building Permits** are required by the City to ensure that structures meet specific standards. The City requires various construction permits for activities such as the installation of electric, plumbing and sewage facilities. A fee is levied for these permits in order to recover only the costs incurred. Due to reduced construction activity throughout the City, staff anticipates this revenue source to decrease during FY 2010-11. The California Constitution limits these fees to the cost reasonably borne by the City to provide the services.

**Licenses** are collected for certain types of activities within City boundaries such as Business Licenses, Horse Licenses or Dog Licenses.

**Parking Fines** issued by the Police Department represents a small portion of General Fund revenues. Effective January 2009 the County increased the fees it charges to local agencies to process parking citations. In response to the County action, the City raised citations by \$5 to offset the potential loss in revenue. In order to bring Burbank's fines closer to survey cities, a \$5 increase was enacted effective July 2010.



**Traffic Fines** are collected from moving violations issued by the Police Department. They are issued for both City and California Highway Patrol traffic violations, with the majority of the revenue going to the State of California.

**Interest Income** represents another significant revenue source. The City Treasurer invests idle funds in various investment instruments and the City's portfolio receives interest income. The main investment goal is to protect each investment while achieving the highest rate of return. The City Treasurer's goal is to achieve an average annual investment portfolio yield of 2.0% during FY 2010-11.

**Motor Vehicle In-Lieu of Taxes** represent a State vehicle license fee imposed on California motorists for the privilege of operating a motor vehicle on the public highways. All motor vehicles registered in the State were subject to the 2% fee imposed in-lieu of property taxes. Cities, such as Burbank, received a portion of the fees collected on vehicles registered within their city limits based on each city's population. In 1998, the State had reduced the amount paid by vehicle owners and



**CITY OF BURBANK  
GENERAL FUND  
REVENUE SOURCES AND DESCRIPTION SUMMARY**

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made up the difference (“backfilling”) to local agencies. However, effective June 2003, the State stopped its backfill, but then reinstated it temporarily in December, 2003.

As part of the 2004 state budget, the fees paid by motorists have been reduced permanently to .65% from 2%, and a property tax backfill has been permanently established. The amount of property tax received in lieu of VLF is tied to the City’s gross assessed value of taxable property. As part of the State Budget approved in February 2009, the VLF rate was increased by 0.15% to fund law enforcement grants. An additional 0.35% increase was included which is dedicated to the State General Fund. Barring further action by the Legislature these rates will sunset after June 30, 2011. These increases do not affect the 0.65% base VLF rate or the allocations to cities.

**Direct and Indirect Charges to Other Funds (Administrative Services):** General Fund programs and staff provide services such as police protection, fire suppression and tree trimming, to a wide range of residents and businesses. However, some staff and services are utilized to support non-General Fund activities. Charges are derived from allocating the program and service costs and the respective departments are charged accordingly.

**Plan Check Fees** are charged to developers to cover a portion of the cost of processing building and structure plans. The fee is a percent of the permit and inspection fees for building construction, including new construction, additions or alterations to a building or structure. Due to reduced construction activity throughout the City, staff anticipates this revenue source to decrease during FY 2010-11. The California Constitution limits these fees to the cost reasonably borne by the City to provide the services.

**Safety Services Filming:** One of the benefits of having numerous studios and production companies within the City’s boundaries is that hundreds of movies, television shows and commercials are filmed in Burbank every year. Location shoots require safety personnel to be available to manage traffic, watch over sets, and ensure that fire prevention regulations are enforced, among other duties. The City charges fees to the production companies to recoup its costs for providing this safety staffing.

**Interfund Transfers** or contributions from other funds are made to the General Fund for assorted purposes. Every year, the General Fund receives a contribution from the Gas Tax Fund (Fund 125) to offset the costs of staffing engineers and other support personnel for road construction projects. Interfund transfers are typically of a one-time nature.

**CITY OF BURBANK**  
**NON-GENERAL FUND REVENUE SUMMARY**  
(Anticipated Receipts Only -- Excludes Other Sources)

	Actual 2008-09	% OF TOTAL	Adopted 2009-10	% OF TOTAL	Adopted 2010-11	% OF TOTAL
<b>SPECIAL REVENUE FUNDS</b>						
<b>Proposition A, Fund 104</b>	<b>1,856,769</b>	<b>6.2%</b>	<b>1,973,898</b>	<b>9.4%</b>	<b>1,703,621</b>	<b>8.5%</b>
Local Return - Prop A	1,641,900		1,772,398		1,586,621	
Other	214,869		201,500		117,000	
<b>Proposition C, Fund 105</b>	<b>1,886,476</b>	<b>6.3%</b>	<b>1,728,460</b>	<b>8.2%</b>	<b>1,448,015</b>	<b>7.2%</b>
Local Return--Prop C	1,292,328		1,470,460		1,316,265	
Other	594,148		258,000		131,750	
<b>AQMD, Fund 106</b>	<b>95,808</b>	<b>0.3%</b>	<b>134,500</b>	<b>0.6%</b>	<b>135,265</b>	<b>0.7%</b>
<b>Measure R, Fund 107</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>789,900</b>	<b>3.9%</b>
<b>Operating Grants, Fund 121</b>	<b>179,271</b>	<b>0.6%</b>	<b>66,400</b>	<b>0.3%</b>	<b>164,220</b>	<b>0.8%</b>
<b>CDBG, Fund 122</b>	<b>1,549,440</b>	<b>5.2%</b>	<b>1,249,879</b>	<b>5.9%</b>	<b>1,279,797</b>	<b>6.4%</b>
Grant-Comm Devel Block Grant	1,457,170		1,163,879		1,265,797	
Other	92,270		86,000		14,000	
<b>Drug Asset Forfeiture, Fund 124</b>	<b>187,339</b>	<b>0.6%</b>	<b>137,000</b>	<b>0.7%</b>	<b>155,040</b>	<b>0.8%</b>
<b>State Gas Tax, Fund 125</b>	<b>2,476,787</b>	<b>8.2%</b>	<b>2,520,898</b>	<b>12.0%</b>	<b>2,894,853</b>	<b>14.4%</b>
State Gas Tax	2,478,349		1,758,646		1,751,772	
Other	(1,562)		762,252		1,143,081	
<b>Public Improvement, Fund 127</b>	<b>3,512,495</b>	<b>11.7%</b>	<b>6,424,938</b>	<b>30.5%</b>	<b>4,995,028</b>	<b>24.8%</b>
Impact Fees-Transportation	99,929		1,500,000		1,500,000	
Impact Fees-Other	450,467		2,527,978		2,527,978	
Miscellaneous	2,962,099		2,396,960		967,050	
<b>HOME Program, Fund 128</b>	<b>79,761</b>	<b>0.3%</b>	<b>872,935</b>	<b>4.1%</b>	<b>777,377</b>	<b>3.9%</b>
<b>Street Lighting, Fund 129</b>	<b>2,538,811</b>	<b>8.5%</b>	<b>2,573,500</b>	<b>12.2%</b>	<b>2,672,000</b>	<b>13.3%</b>
<b>YES Fund, Fund 130</b>	<b>1,658,955</b>	<b>5.5%</b>	<b>1,803,074</b>	<b>8.6%</b>	<b>1,715,545</b>	<b>8.5%</b>
<b>Genl City Cap Projects, Fund 370</b>	<b>14,003,112</b>	<b>46.6%</b>	<b>1,578,000</b>	<b>7.5%</b>	<b>1,398,000</b>	<b>6.9%</b>
<b>Total Special Revenue</b>	<b>\$ 30,025,024</b>	<b>100.0%</b>	<b>\$ 21,063,482</b>	<b>100.0%</b>	<b>\$ 20,128,661</b>	<b>100.0%</b>

<b>INTERNAL SERVICE FUNDS</b>						
<b>General Liability Insurance, Fund 530</b>	<b>4,183,800</b>	<b>13.6%</b>	<b>4,955,282</b>	<b>16.4%</b>	<b>4,988,441</b>	<b>17.7%</b>
<b>Workers Comp Insurance, Fund 531</b>	<b>8,212,538</b>	<b>26.7%</b>	<b>8,682,126</b>	<b>28.7%</b>	<b>7,112,000</b>	<b>25.2%</b>
<b>Vehicle Equip Replacement, Fund 532</b>	<b>9,292,726</b>	<b>30.2%</b>	<b>8,608,749</b>	<b>28.5%</b>	<b>7,980,161</b>	<b>28.3%</b>
<b>Office Equip Replacement, Fund 533</b>	<b>760,925</b>	<b>2.5%</b>	<b>569,960</b>	<b>1.9%</b>	<b>452,224</b>	<b>1.6%</b>
<b>Municipal Building Replacement, Fund 534</b>	<b>2,637,773</b>	<b>8.6%</b>	<b>2,694,000</b>	<b>8.9%</b>	<b>2,391,000</b>	<b>8.5%</b>
<b>Communication Equip, Fund 535</b>	<b>2,764,537</b>	<b>9.0%</b>	<b>2,625,000</b>	<b>8.7%</b>	<b>2,575,100</b>	<b>9.1%</b>
<b>Info Systems Replacement, Fund 537</b>	<b>2,946,221</b>	<b>9.6%</b>	<b>2,065,288</b>	<b>6.8%</b>	<b>2,668,039</b>	<b>9.5%</b>
<b>Total Internal Service</b>	<b>\$ 30,798,520</b>	<b>100.0%</b>	<b>\$ 30,200,405</b>	<b>100.0%</b>	<b>\$ 28,166,965</b>	<b>100.0%</b>

**CITY OF BURBANK**  
**NON-GENERAL FUND REVENUE SUMMARY**  
(Anticipated Receipts Only -- Excludes Other Sources)

	Actual 2008-09	% OF TOTAL	Adopted 2009-10	% OF TOTAL	Adopted 2010-11	% OF TOTAL
<b>ENTERPRISE FUNDS</b>						
<b>Water Reclamation/Sewer, Fund 494</b>	<b>14,790,443</b>	<b>4.0%</b>	<b>15,646,644</b>	<b>3.7%</b>	<b>15,823,961</b>	<b>3.6%</b>
Sewer Service Charges	13,980,918		14,692,402		14,966,061	
Interest/Other	619,189		424,516		535,254	
Permits & Inspection	7,874		11,000		11,550	
Sewer Facilities Charge	182,462		518,726		311,096	
<b>Golf, Fund 495</b>	<b>1,477,222</b>	<b>0.4%</b>	<b>2,225,022</b>	<b>0.5%</b>	<b>2,248,177</b>	<b>0.5%</b>
Green Fees	1,142,010		1,396,177		1,396,177	
Electric Cart Rental	525,113		580,409		600,000	
Other	(189,901)		248,436		252,000	
<b>Magnolia Power Plant, Fund 483</b>	<b>25,952,077</b>	<b>7.0%</b>	<b>26,704,077</b>	<b>6.3%</b>	<b>26,882,058</b>	<b>6.2%</b>
<b>Electric, Fund 496</b>	<b>291,013,080</b>	<b>78.5%</b>	<b>334,839,000</b>	<b>79.4%</b>	<b>347,572,088</b>	<b>79.6%</b>
Wholesale	120,716,250		160,000,000		160,000,000	
Retail	158,038,397		167,369,000		175,252,031	
Aid in Construction	1,232,622		1,610,000		3,085,000	
Interest	1,707,403		1,293,000		1,800,257	
Miscellaneous	9,318,408		4,567,000		7,434,800	
<b>Water Fund 497</b>	<b>23,240,432</b>	<b>6.3%</b>	<b>27,092,000</b>	<b>6.4%</b>	<b>27,954,894</b>	<b>6.4%</b>
Potable Water Sales	19,370,506		23,055,000		24,009,295	
Reclaimed Water Sales	1,482,415		2,018,000		2,164,601	
Aid in Construction	1,515,537		829,000		1,028,100	
Interest	309,213		242,000		152,898	
Miscellaneous	562,761		948,000		600,000	
<b>Refuse Collection/Disposal, Fund 498</b>	<b>14,343,119</b>	<b>3.9%</b>	<b>15,334,299</b>	<b>3.6%</b>	<b>16,325,423</b>	<b>3.7%</b>
Residential/Apartment Collection	8,869,211		8,712,771		9,561,476	
Commercial Collections	1,710,421		1,612,805		1,575,961	
Interest/Other	1,903,601		2,672,676		3,100,429	
Gross Hauler Fees	1,607,482		1,997,047		1,874,968	
Recycling	252,404		339,000		212,589	
<b>Total Enterprise Funds</b>	<b>\$ 370,816,373</b>	<b>100.0%</b>	<b>\$ 421,841,042</b>	<b>100.0%</b>	<b>\$ 436,806,601</b>	<b>100.0%</b>

**HOUSING AUTHORITY**

<b>Housing Vouchers, Fund 117</b>	<b>8,122,889</b>	<b>100.0%</b>	<b>7,621,642</b>	<b>100.0%</b>	<b>7,583,433</b>	<b>100.0%</b>
<b>Total Housing Authority</b>	<b>\$ 8,122,889</b>	<b>100.0%</b>	<b>\$ 7,621,642</b>	<b>100.0%</b>	<b>\$ 7,583,433</b>	<b>100.0%</b>

**PARKING AUTHORITY**

<b>Parking Authority Debt Svc, Fund 210</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>
<b>Parking Authority Cap Proj, Fund 310</b>	<b>1,164,141</b>	<b>100.0%</b>	<b>753,090</b>	<b>100.0%</b>	<b>753,165</b>	<b>100.0%</b>
<b>Total Parking Authority</b>	<b>\$ 1,164,141</b>	<b>100.0%</b>	<b>\$ 753,090</b>	<b>100.0%</b>	<b>\$ 753,165</b>	<b>100.0%</b>

**PUBLIC FINANCING AUTHORITY**

<b>Public Financing Authority, Fund 320</b>	<b>\$ 4,531,058</b>	<b>100.0%</b>	<b>\$ 3,600,000</b>	<b>100.0%</b>	<b>\$ 3,605,000</b>	<b>100.0%</b>
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**CITY OF BURBANK**  
**NON-GENERAL FUND REVENUE SUMMARY**  
 (Anticipated Receipts Only -- Excludes Other Sources)

	Actual 2008-09	% OF TOTAL	Adopted 2009-10	% OF TOTAL	Adopted 2010-11	% OF TOTAL
<b>REDEVELOPMENT AGENCY</b>						
Golden State Debt Svc, Fund 201	29,864,575	35.3%	27,085,786	32.1%	26,770,141	36.3%
City Centre Debt Svc, Fund 202	10,429,342	12.3%	11,348,125	13.5%	10,702,243	14.5%
West Olive Debt Svc, Fund 203	10,778,303	12.7%	11,406,200	13.5%	10,194,074	13.8%
So San Fernando Debt Serv, Fund 204	3,991,723	4.7%	2,795,440	3.3%	2,761,008	3.7%
Comm Facilities Dist Debt Serv., Fund 207	364,077	0.4%	587,737	0.7%	585,509	0.8%
West Olive Cap Projects, Fund 303	2,138,114	2.5%	3,100,714	3.7%	746,220	1.0%
Low/Moderate Housing, Fund 305	13,629,789	16.1%	10,953,942	13.0%	10,333,834	14.0%
Merged Capital Project Areas, Fund 306*	13,365,570	15.8%	17,010,300	20.2%	11,661,330	15.8%
Total Redevelopment Agency	\$ 84,561,493	100.0%	\$ 84,288,244	100.0%	\$ 73,754,359	100.0%

<b>TOTAL NON-GENERAL FUND REVENUE</b>	<b>\$ 530,019,498</b>	<b>\$ 569,367,905</b>	<b>\$ 570,798,184</b>
<b>GENERAL FUND RECURRING REVENUE</b>	<b>147,561,965</b>	<b>146,113,727</b>	<b>140,845,964</b>
<b>TOTAL ALL REVENUE</b>	<b>\$ 677,581,463</b>	<b>\$ 715,481,632</b>	<b>\$ 711,644,148</b>

\*Golden State (Fund 301), City Centre (Fund 302) and South San Fernando (Fund 304) Project Areas were merged into a single area during FY 2004-05.

**SPECIAL REVENUE FUNDS / CAPITAL PROJECT FUND  
REVENUE DESCRIPTIONS**

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**PROPOSITION A – TRANSPORTATION**

**Fund 104**

**Proposition A revenues** represent the City's portion of a special Los Angeles County ½ cent Sales Tax passed by the voters in 1980. Cities are entitled to 25% of all the ½ cent revenues. Distribution to each city is pro-rated based on each city's population. These revenues are used exclusively in support of the City's Proposition A/Transportation Fund budget. Revenue growth for these funds is contingent on the County's overall sales growth.

**PROPOSITION C – TRANSPORTATION**

**Fund 105**

**Proposition C revenues** represent the City's portion of a special Los Angeles County ½ cent Sales Tax approved by voters in 1990. Cities are entitled to 20% of all the ½ cent revenues. Distribution to each city is pro-rated based on each city's population. These revenues are used exclusively to support the City's Proposition C/Transportation Fund budget.

**AQMD FEES-TRANSPORTATION**

**Fund 106**

The South Coast Air Quality Management District (AQMD) receives a small portion of the annual vehicle registration license fees. The AQMD remits a portion of these revenues to cities for selected anti-pollution/transportation projects. Burbank's revenues are deposited into a special **AQMD Fees–Transportation** Fund for ride-sharing and anti-pollution projects.

**MEASURE R-TRANSPORTATION**

**Fund 107**

Measure R revenues represent the City's portion of a special Los Angeles County ½ cent Sales Tax approved by voters in 2008. Cities are entitled to 15% of all the ½ cent revenues for a period of 30 years. Distribution to each city is pro-rated based on each city's population. Funds will be utilized for projects that benefit and support local transit services and transportation infrastructure.

**COMMUNITY DEVELOPMENT BLOCK GRANT**

**Fund 122**

The Federal Department of Housing and Urban Development (HUD) created the **Community Development Block Grant (CDBG)** program to revitalize low and moderate income areas within American cities. Burbank's CDBG revenues change each year and have specific restrictions.

**DRUG ASSET FORFEITURE**

**Fund 124**

On July 1, 1996, the **Drug Asset Forfeiture** Fund was established to account for revenues and expenditures. Revenue estimates and appropriations will be made only after drug assets are seized, and the revenues are remitted to the City.

**STATE GAS TAXES**

**Fund 125**

**State Gas Taxes** are derived from State of California taxes on gasoline purchases and are allocated, on a share basis to cities. These revenues are broken down into Section 2105, 2106, and 2107 and are restricted and can only be used on public street construction, improvements, and/or maintenance. Another Section 2107.5 restricts revenue usage to public street engineering costs and administrative/labor expenditures.

**DISASTER RELIEF**

**Fund 126**

**Disaster Relief** monies received from various Federal, State and Regional agencies for reimbursement of City costs incurred from disasters are included in this fund. Due to the nature of the fund, no revenue is currently forecasted.

**SPECIAL REVENUE FUNDS / CAPITAL PROJECT FUND  
REVENUE DESCRIPTIONS**

**PUBLIC IMPROVEMENTS**

**Fund 127**

This fund provides for **Public Improvements** through imposition of Development Impact Fees. Public Improvement projects included in this fund are restricted to those designated in the Infrastructure Blueprint and the Community Facilities Element. Activities are restricted to specific projects in the Community Development, Fire, Library, Park, Recreation & Community Services, and Police Departments.

**HOME PROGRAM**

**Fund 128**

This program provides Housing and Urban Development (HUD) funding to increase the affordable housing supply in the City.

**STREET LIGHTING**

**Fund 129**

In-Lieu of Taxes received from Burbank Water and Power (BWP) has 1.25% of their revenues deposited into the **Street Lighting** Fund. Most cities directly charge residents for this service through assessment districts. BWP administers the Street Lighting Fund.

**YOUTH ENDOWMENT SERVICES (YES)**

**Fund 130**

This fund provides for **Youth Endowment Services (YES)** activities. In prior years, the Redevelopment Agency provided 5% of property tax increment growth as revenue and private donations also account for a small portion of revenues. In January 1996, the YES Fund was expanded to include the City's youth employment program, Burbank Employment and Student Training (BEST). The business community has an opportunity to donate funds to pay a portion of the wages for youth employed by private businesses and non-profit organizations. Effective FY 2004-05, Management Services took over administering the YES Fund for the youth employment portion, while Park, Recreation and Community Services Department continues to manage the capital projects portion.

**CAPITAL PROJECTS FUND – GENERAL CITY**

**Fund 370**

This fund accounts for the **General City – Capital Projects**. The majority of the funding for this fund comes from contributions from the General Fund (Fund 001). Other funding sources include grants and City Redevelopment funds.

**CITY OF BURBANK  
Internal Service Fund Revenue Summary**

Each of the seven Internal Service Funds will receive adequate revenues in FY 2010-11 to cover this year's appropriations. Internal Service Funds are used for the following purposes:

- 1) Accumulate adequate replacement funds for a variety of capital goods.
- 2) Accumulate adequate maintenance funds for a variety of capital goods.
- 3) Pay for various services provided by one department to other City departments on a cost-reimbursement basis (such as General Liability and Workers' Compensation Insurance).

Each Internal Service Fund receives its revenues via:

- 1) Premium Charges/Rental/Replacement Charges to the applicable user departments.
- 2) Interest/Other.
- 3) Transfers from other funds.

## **CITY OF BURBANK**

### **Enterprise Fund Revenue Summary**

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprise. The City of Burbank currently has five Enterprise Funds: Electric, Water (operated by Burbank Water and Power), Golf (operated by Park, Recreation and Community Services), Water Reclamation & Sewer (operated by Public Works), and Refuse (operated by Public Works).

Each fund must ensure that its revenues cover operating expenses (including depreciation) of providing goods and services to users/customers. Revenues may be comprised of Service Charges/Fees/Sales, Interest and Other Income.

The Electric Fund's budget highlights include: Numerous environmental and conservation programs, initiate implementation of a utility Smart Grid, and electric line upgrades. Mainly due to the increased use of renewable energy sources and increases in natural gas prices, an electric rate increase of 2.9% for all customers, except Lifeline customers, will take effect on January 1, 2011. Despite the increase, rates remain very competitive, both locally and regionally.

The Water Fund's budget highlights include: Environmental and conservation programs, and the continued expansion of the recycled water system. A proposed water rate increase of 13.5% is necessary because of water supply issues and water cost escalation beyond the City's control. Other items contributing to the increase include increased costs to: replenish stored groundwater credits, meter and hydrant replacements, security improvements, in addition to the recycled water expansion.

The Golf Fund's budget highlights include completed improvements of the DeBell clubhouse and continued improvements of the golf course. The Water Reclamation & Sewer Fund's proposed budget reflects an overall sewer rate increase of 5%, and the Refuse Fund also includes a proposed refuse rate increase of 8%. These proposed rate increases are a result of increased costs to the funds.

## **CITY OF BURBANK**

### **Redevelopment Agency Revenue Summary**

The Redevelopment Agency has a total of eight funds: two Project Area Capital Projects Funds, five Project Area Debt Service Funds and one Low/Moderate Income Housing Capital Projects Fund. Each fund will have adequate revenues to cover operational expenditures and/or debt service obligations.

The primary financing tool available to the Redevelopment Agency is the *tax increment*, as authorized under California law. When a redevelopment project area is first formed, the property tax values at the time of project area formation are frozen, and serve as the "base year" property tax values. When property values increase, through the normal course of redevelopment, the values in excess of the base year are deemed to be the incremental assessed value. Thus, incremental property tax revenues are derived from this incremental assessed value increase.

Since 1977, redevelopment agencies have been required to set aside twenty percent (20%) of their incremental property tax revenues into a fund (Fund 305) to be used solely for low and moderate housing development.

Other sources of Agency revenue include land sale proceeds, developer advances, lease revenues, interfund transfers, and interest/investment earnings. As part of the FY 2009-10 State budget, the Legislature authorized taking local redevelopment funds. Statewide totals were \$1.7 billion during FY 2009-10 and an additional \$350 million during FY 2010-11. Due to this action, the Burbank Redevelopment Agency lost \$16.1 million in tax increment during FY 2009-10 and \$3.3 million during FY 2010-11.

### **CITY OF BURBANK Housing Authority Revenue Summary**

The Burbank Housing Authority was formed in 1975 to administer the Section 8 Rental Assistance Program that is funded by the United States Department of Housing and Urban Development (HUD). This Program provides rent subsidy payments directly to landlords on behalf of eligible tenants. The Section 8 Program provides an additional resource for assisting very low-income renters in Burbank.

### **CITY OF BURBANK Parking Authority Revenue Summary**

The Parking Authority has one Capital Projects Fund and one Debt Service Fund. The Debt Service Fund paid off the 1991 bonds during FY 2006-07. Parking revenues are expected to remain constant from last fiscal year. In addition, AMC Theaters provide funds to offset downtown parking structure maintenance costs. The Public Works Department administers the Parking Authority Fund.

### **CITY OF BURBANK Public Financing Authority Revenue Summary**

The Public Financing Authority purchased a portion of the Golden State Redevelopment Project Tax Allocation Bonds, 1993 Series A. Those bonds provided funds for the acquisition and construction of various projects within the area. Revenue for this fund is transferred from the Golden State Redevelopment Agency.

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